

(Washington, DC)— The United States House of Representatives is today expected to take up and pass a bill that will bolster small business lending programs so that these firms can remain an economic engine and job-creator in America even during hard economic times. The Small Business Financing and Investment Act will support \$44 billion in lending and investment every year, helping to create or save 1.3 million jobs annually. While small businesses have created two-thirds of the new jobs over the last decade and a half, the economic crisis has had an enormous impact on their growth, cutting off access to credit and investment dollars.

“The economic crisis knocked many small businesses flat on their backs,” Congresswoman Moore said. “These firms rely on a steady flow of lendable capital from banks that really dried up when the economy went south. Many could not pay their rent, their electric bills, their workers, and the crushing cost of health insurance premiums for their employees.

“We as a nation should not sit idly by and watch the entrepreneurial spirit in America simply close up shop. This bill is designed to make sure that small companies have the loan resources they need to keep hardworking Americans on their payroll and to keep innovation alive.”

Provisions in the Recovery Act have already supported tens of thousands of loans – totaling \$9 billion in new small business lending since the legislation was passed. This lending helped to create or save thousands of jobs. The Small Business Financing and Investment Act extends key Recovery Act provisions that eliminated fees on Small Business Administration (SBA) loans, so that loans will be more affordable for small businesses. The bill also keeps a 90 percent federal guarantee on certain loans in place, so local banks and credit unions maintain confidence when lending to small businesses.

The legislation will also increase loan sizes to better meet businesses’ needs. It expands SBA support to facilitate small business lending, makes microloans more affordable for budding entrepreneurs, and takes steps encouraging smaller lenders to help rural business and veteran-owned businesses obtain affordable credit. To address the shortage in lending to early-stage businesses, the bill establishes a new Early-Stage Investment Program at SBA, which will pair SBA grants with private venture capital in order to target investment dollars to promising small business startups.

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